

SECTION V

CONTRACTING PROVISIONS

5.1. The Participants recognize the importance of the provisions of the Memorandum of Understanding between the Government of the Kingdom of the Netherlands and the Government of the United States of America Concerning the Principles Governing Cooperation in the Research and Development, Production and Procurement of Defense Equipment, dated 24 August 1978, and any amendments thereto, which establish the principle that full consideration will be given to all qualified sources in each other's country consistent with and to the extent permitted by national laws and regulations.

5.2. To promote the principles established in paragraph 6.6 of Section VI (Contracting Provisions) of the JSF SDD Framework MOU, the U.S. DoD will provide the NL MOD with insight into the subcontracting for the Project via IPT participation, attendance at Program Management Reviews, and access to the JSF Program Office electronic network.

5.3. The U.S. DoD will award cost-plus-award-fee Contracts for performance of the JSF SDD Phase. The JSF PD will implement an award fee program that specifies the award fee criteria against which the prime Contractors will be measured. Periodically, in consultation with the NL MOD National Deputy as part of the JSF Program Office award fee process, the JSF PD will award an appropriate portion of the available fee to the prime Contractors based on the degree to which their performance meets the award fee criteria. In the event a Contractor fails to meet any of the award fee criteria in a given period, the JSF PD will ensure the award fee will be reduced to the appropriate level.

SECTION VI

DISCLOSURE AND USE OF PROJECT INFORMATION

6.1. In accordance with paragraph 8.1.2 of Section VIII (Disclosure and Use of Project Information) of the JSF SDD Framework MOU, the following disclosure limitations will apply to this Supplement: The U.S. DoD will not disclose Project Information contrary to its national disclosure policies.

6.2. In accordance with paragraph 8.1.3 of Section VIII (Disclosure and Use of Project Information) of the JSF SDD Framework MOU, the extent and manner to which the NL MOD will be given access to electronically provided Project Foreground Information are as follows: The NL MOD will have timely access to such electronic data to the extent consistent with the disclosure limitations in paragraph 6.1 of this Supplement.

6.3. Paragraphs 8.2.2, 8.4.2, and 8.5.2 of Section VIII (Disclosure and Use of Project Information) of the JSF SDD Framework MOU require that each Supplement specify the purposes for which each Participant other than the U.S. DoD may use or have used Government Project Foreground Information, Contractor Project Foreground Information, and Contractor Project Background Information delivered under Contracts awarded in accordance with the JSF SDD Framework MOU, respectively. For the NL MOD, those purposes will be CTOL Purposes. The U.S. DoD may use or have used, for Defense Purposes, Government Project Foreground Information which is furnished by the NL MOD during the Project.

6.4. Paragraph 8.8.2 and 8.8.6 of Section VIII (Disclosure and Use of Project Information) of the JSF SDD Framework MOU require each Supplement to specify the purposes for which a Participant other than the U.S. DoD may practice or have practiced Project Inventions for which a Contractor or a Participant, respectively, grants a license under its Patents. For the NL MOD, those purposes will be CTOL Purposes. The U.S. DoD may practice or have practiced, for Defense Purposes, Project Inventions for which the NL MOD grants licenses under its Patents.

SECTION VII

SECURITY

7.1. All Classified Information or material provided or generated pursuant to this MOU will be stored, handled, transmitted, and safeguarded in accordance with the General Security Agreement between the Netherlands and the United States of America, of 18 August 1960, as amended on 6 April 1981, and including the Industrial Security Annex thereto, of 9 April 1982.

7.2. Existence of this Supplement is UNCLASSIFIED and the contents are UNCLASSIFIED.

SECTION VIII

AMENDMENT, WITHDRAWAL, ENTRY INTO EFFECT, AND DURATION

8.1. This Supplement may be amended in accordance with Section XVIII (Amendment, Withdrawal, Termination, Entry into Effect, and Duration) of the JSF SDD Framework MOU.

8.2. The respective rights and responsibilities of the Participants regarding paragraph 4.2 of Section IV (Financial Provisions) will continue notwithstanding termination of, withdrawal from, or expiration of the JSF SDD Framework MOU or this Supplement.

8.3. The NL MOD may withdraw from the JSF SDD Framework MOU and this Supplement if it concludes that the Netherlands industrial participation in this Project is not satisfactory.

8.4. This Supplement, which consists of eight (8) Sections and two (2) Annexes, will enter into effect on the date by which both of the following circumstances have occurred: this Supplement has been signed by both Participants, and the JSF SDD Framework MOU amendment to add NL MOD has entered into effect. This Supplement will remain in effect for the duration of the JSF SDD Framework MOU, unless terminated earlier by the Participants.

The foregoing represents the understandings reached between the Department of Defense of the United States of America and the State Secretary of Defence of the Kingdom of the Netherlands upon the matters referred to therein.

Signed, in duplicate, in the English language by authorized representatives.

FOR THE DEPARTMENT OF
DEFENSE OF THE UNITED
STATES OF AMERICA



Signature

E.C. Aldridge, Jr.

Name

USD(AT&L)

Title

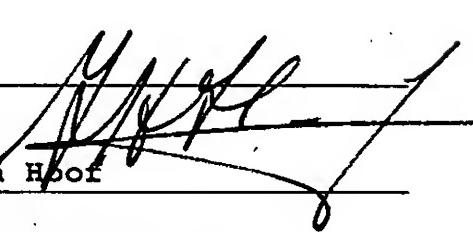
10 June 2002

Date

Washington, D.C.

Location

THE STATE SECRETARY OF
DEFENCE OF THE KINGDOM OF
THE NETHERLANDS



Signature

H.A.L. van Hoof

Name

The State Secretary of
Defence of the Kingdom of
the Netherlands

Title

5 June 2002

Date

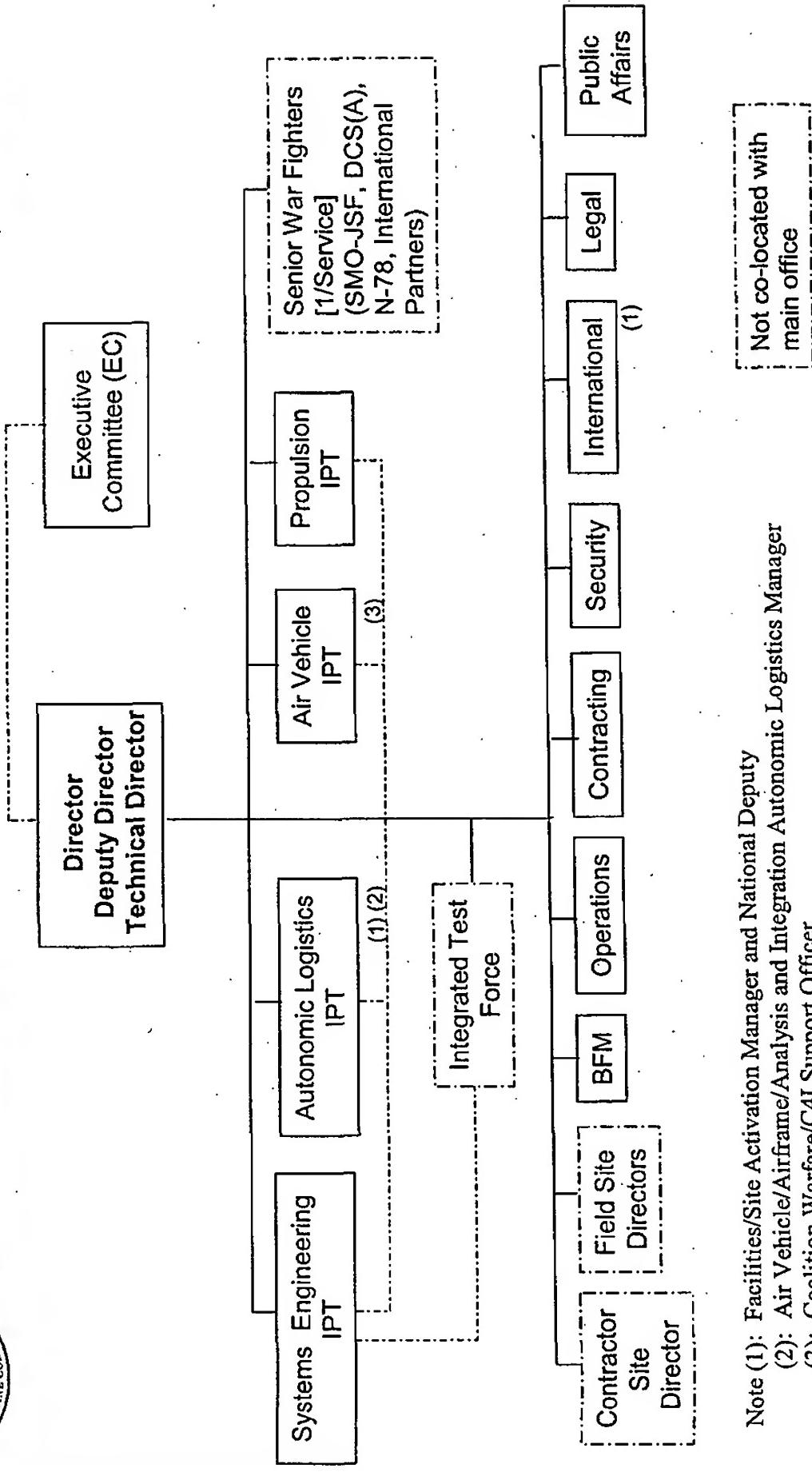
Soesterberg Airbase,
Kingdom of the Netherlands

Location



Annex A

Supplement Management Structure



Note (1): Facilities/Site Activation Manager and National Deputy
(2): Air Vehicle/Airframe/Analysis and Integration Autonomic Logistics Manager
(3): Coalition Warfare/C4I Support Officer

Notes (1) through (3) indicate Netherlands Cooperative Project Personnel (CPP).

ANNEX B

JSF COOPERATIVE PROJECT PERSONNEL

1.0. Purpose and Scope.

1.1. This Annex establishes the provisions which will govern the conduct of JSF Cooperative Project Personnel. The NL MOD will assign military members or civilian employees to the JSF Program Office or U.S. DoD field activities in accordance with Section III (Management (Organization and Responsibility)), Annex A (Supplement Management Structure) and this Annex. JSF Cooperative Project Personnel must be able to perform all the responsibilities for the positions assigned to them under this Supplement. Commencement of assignments will be subject to any requirements that may be imposed by the U.S. DoD or the U.S. Government regarding acceptance of JSF Cooperative Project Personnel, such as, but not limited to, visas and visit request documentation. The U.S. DoD and NL MOD EC representatives will determine the length of tour for the positions at the time of initial assignment.

1.2. JSF Cooperative Project Personnel will be assigned to the JSF Program Office or U.S. DoD field activities for Project work and will report to their designated supervisor within those organizations regarding that work. JSF Cooperative Project Personnel will not act as liaison officers for the NL MOD. However, such personnel may act from time to time on behalf of the NL MOD's EC representative if the latter so authorizes in writing.

1.3. JSF Cooperative Project Personnel will not be assigned to command or other positions that would require them to exercise responsibilities that are reserved by law or regulation to an officer or employee of the U.S. Government.

2.0. Security.

2.1. The U.S. DoD and NL MOD EC representatives will establish the maximum level of security clearance required to permit JSF Cooperative Project Personnel to have access to Classified Information and Material, and facilities in which Classified Information and Material are used, in accordance with the Program Security Instruction (PSI) and Classification Guide (CG). Access to Classified Information and Material and facilities in which Classified Information and Material are used will be consistent with, and limited by, Section II (Objectives) and Section III (Scope of Work) of the JSF SDD Framework MOU and

the corresponding provisions of this Supplement, and will be kept to the minimum required to accomplish the work assignments.

2.2. The NL MOD will cause security assurances to be filed, through the NL Embassy, specifying the security clearances for the JSF Cooperative Project Personnel being assigned. The security assurances will be prepared and forwarded through prescribed channels in compliance with established U.S. procedures.

2.3. The Participants will use their best efforts to ensure that both U.S. DoD and NL MOD personnel assigned to the JSF Program Office or U.S. DoD field activities are aware of, and comply with, applicable laws and regulations pertaining to Controlled Unclassified Information and Classified Information and Material as well as the requirements of Section IX (Controlled Unclassified Information), Section X (Visits to Establishments), Section XI (Security), and paragraph 18.7 of Section XVIII (Amendment, Withdrawal, Termination, Entry into Effect, and Duration) of the JSF SDD Framework MOU and the corresponding provisions of this Supplement, and the PSI and CG. Prior to commencing assigned duties, JSF Cooperative Project Personnel will, as required by U.S. Government laws, regulations, or procedures, sign a certification concerning the conditions and responsibilities of CPP.

2.4. JSF Cooperative Project Personnel will at all times be required to comply with the security and export control laws, regulations and procedures of the U.S. Government. Any violation of security procedures by JSF Cooperative Project Personnel during their assignment will be reported to the NL MOD for appropriate action. JSF Cooperative Project Personnel committing willful violations of security and export control laws, regulations, or procedures during their assignments will be withdrawn from the Project with a view toward appropriate administrative or disciplinary action by the NL MOD.

2.5. All Classified Information and Material made available to JSF Cooperative Project Personnel will be considered as Classified Information and Material furnished to the NL MOD and will be subject to all of the provisions and safeguards provided for in Section XI (Security) of the JSF SDD Framework MOU, Section VI (Security) of this Supplement, and the PSI and the CG.

2.6. JSF Cooperative Project Personnel will not have personal custody of Classified Information and Material or Controlled Unclassified Information, unless approved by the JSF Program Office and as authorized by the NL MOD on a case-by-case basis. They will be granted access to such Information and material in accordance with Section IX (Controlled Unclassified

Information) and Section XI (Security) of the JSF SDD Framework MOU and the provisions of the PSI during normal duty hours and when access is necessary to perform Project work.

2.7. JSF Cooperative Project Personnel will not serve as a conduit between the U.S. DoD and NL MOD for requests for and/or transmission of Classified Information and Material or Controlled Unclassified Information unless specifically authorized by the PSI.

3.0. Administrative Matters.

3.1. Consistent with U.S. laws and regulations, JSF Cooperative Project Personnel will be subject to the same restrictions, conditions, and privileges as U.S. DoD personnel of comparable rank and in comparable assignments. Further, to the extent authorized by U.S. laws and regulations, JSF Cooperative Project Personnel and their authorized dependents will be accorded:

3.1.1. Exemption from any U.S. Government tax upon income received from the NL MOD.

3.1.2. Exemption from any U.S. Government customs and import duties or similar charges levied on items entering the country for their official or personal use, including their baggage, household effects, and private motor vehicles.

3.2. Upon or shortly after arrival, JSF Cooperative Project Personnel will be informed by the JSF Program Office or U.S. DoD field activities about applicable laws, orders, regulations, and customs and the need to comply with them. JSF Cooperative Project Personnel will also be provided briefings arranged by the JSF Program Office or U.S. DoD field activities regarding applicable entitlements, privileges, and obligations such as:

3.2.1. Any medical and dental care that may be provided to JSF Cooperative Project Personnel and their dependents at U.S. DoD medical facilities, subject to applicable laws and regulations, including reimbursement requirements.

3.2.2. Purchasing and patronage privileges at military commissaries, exchanges, theaters and clubs for JSF Cooperative Project Personnel and their dependents, subject to applicable laws and regulations.

3.2.3. Responsibility of JSF Cooperative Project Personnel and those dependents accompanying them to obtain motor vehicle liability insurance coverage in accordance with laws and regulations applicable in the area where they are residing. In

case of claims involving the use of private motor vehicles by JSF Cooperative Project Personnel and their dependents, the recourse will be against such insurance.

3.3. The JSF PD, through the JSF Program Office and U.S. DoD field activities, will establish standard operating procedures for JSF Cooperative Project Personnel in the following areas:

3.3.1. Working hours, including holiday schedules.

3.3.2. Leave authorization, consistent to the extent possible with the military or civilian personnel regulations and practices of both Participants.

3.3.3. Dress regulations, consistent to the extent possible with the military or civilian personnel regulations and practices of both Participants.

3.3.4. Performance evaluations, recognizing that such evaluations must be rendered in accordance with the NL MOD's military or civilian personnel regulations and practices.

3.4. JSF Cooperative Project Personnel committing an offense under the laws of the government of either Participant may be withdrawn from this Project with a view toward further administrative or disciplinary action by the NL MOD. Disciplinary action, however, will not be taken by the U.S. DoD against JSF Cooperative Project Personnel, nor will JSF Cooperative Project Personnel exercise disciplinary authority over U.S. DoD personnel. In accordance with U.S. laws, regulations, and procedures, the U.S. DoD will assist the NL MOD in carrying out investigations of offenses involving JSF Cooperative Project Personnel.